GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3316
ANSWERED ON:04.08.2017
Land Development Banks
Shetti Shri Raju alias Devappa Anna

Will the Minister of FINANCE be pleased to state:

(a) whether the land development banks in the country are on the verge of closure due to their poor financial conditions and if so, the details thereof, State/UT-wise;
(b) whether the Government has received proposal from States for their revival;
(c) if so, the details thereof, State/UT wise including Maharashtra along with the action taken by the Government on such proposal; and
(d) the other steps taken/being taken by the Government for revival and strengthening of the said bank?

Answer

The Minister of State in theMinistry of Finance

(a) to (d): The financial condition of State Cooperative Agriculture And Rural Development Banks (SCARDBs), as reported by NABARD, based on the 56th Annual Report 2015-16 of National Cooperative Agriculture and Rural Development Federation is as under:

SN Particulars 2014-15 2015-16
1 No. of SCARDBs
I Fully Functional* 13 13
II Others** 4 4
III No Business *** 3 3
2 No. SCARDBs in profit 9 10
3 No. of SCARDBs in losses 4 3

* I Fully Functional Haryana, Himachal Pradesh, J&K, Punjab, Rajasthan, Tripura, West Bengal, Uttar Pradesh, Gujarat, Karnataka, Kerala, Tamil Nadu & Puducherry
â€¢ ** II. Others Manipur - Defunct
â€¢ Chhattisgarh - Merged with STstructure
â€¢ Maharashtra
& Madhya Pradesh -- Under Liquidation

*** III. No Business Assam, Bihar, Odisha

The Government had constituted a Task Force in January, 2005 to suggest an implementable action plan for reviving the Long-Term Cooperative Credit Structure (LTCCS) in the country, which submitted its report in August, 2006. Subsequent to the implementation of Agriculture Debt Waiver and Debt Relief Scheme, 2008, the Government decided to have a re-look at the viability and relevance of a separate package for LTCCS and constituted a Task Force, in September, 2009, which submitted its report to the Government in February, 2010.

References were received from State Governments of Maharashtra and Rajasthan for revival of LTCCS. While the Government of Maharashtra had sought some relaxation in the proposed LTCCS Package, the Government of Rajasthan had requested for implementation of the Revival Package for LTCCS in the State.

In April, 2013, it was decided not to implement the LTCCS package, primarily due to uncertain stakeholder ownership and lack of adequate budgetary provision for the purpose.

In order to infuse liquidity into SCARDBs, NABARD provides refinance to eligible SCARDBs. State-wise refinance disbursed to SCARDBs during the last three years, as reported by NABARD, is attached at Annexure I.

The Long Term Rural Credit Fund (LTRCF) was set up in 2014-15 with NABARD out of the shortfall in Priority Sector lending target of scheduled commercial banks, to provide refinance to Cooperative Banks and Regional Rural Banks at reduced interest rate to meet the long term investment credit lending in agriculture. NABARD refinance under LTRCF to SCARDBs and the rate of interest (ROI) applicable in the respective financial year is as under:

?. Crore
2014-15 ROI* 2015-16 ROI* 2016-17 ROI*
721.80 7.85 1913.34 6.70/6.20 1881.73 5.4/5.15
* Interest rates linked to Bank Rates.

Annexure I to LS USQ 3316 due for 04.08.2017
Refinance to SCARDBs in Last three years
Rs. cr.
Sl. No. Name of the State 2014-15 2015-16 2016-17
1 Gujarat 80.00 0.00 80.00
2 Himachal Pradesh 45.02 63.70 100.00
3 Karnataka 236.36 250.00 239.73

4	Kerala	1154.79	1450.09	1490.32
5	Haryana	124.81	161.39	100.00
6	Punjab	532.00	518.08	538.30
7	Rajasthan	171.00	200.00	250.00
8	Uttar Pradesh	450.00	450.00	450.00
9	West Bengal	129.99	165.00	150.00
TOTAL		2923.97	3258.26	3398.34